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Message Text

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43
ACTION COME-00

INFO OCT-01 EUR-25 EA-11 ISO-00 EB-11 DRC-01 RSC-01 /050 W
                  ---------- 102079
R 201132Z FEB 74
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC 7774
INFO AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY PRAGUE
AMEMBASSY ROME
AMEMBASSY TOKYO
AMEMBASSY MOSCOW
AMEMBASSY VIENNA
USMISSION BERLIN

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EO 11652: N/A
TAGS: ETRD, ETRN, XG, XH, PL
SUBJECT: PLACEMENT OF INSURANCE ON SHIPMENTS IN EAST-WEST TRADE

REF: (A) WARSAW A-31 (NOTAL); (B) STATE 23552

FOR COMMERCE/BEWT: ATTENTION: SUZANNE PORTER

1. EMBASSY OFFICER MET WITH DEPUTY GENERAL MANGER AND
OTHER OFFICIALS OF WARTA INSURANCE AND REINSURANCE COMPANY
LTD. FOR GENERAL DISCUSSION OF POLISH INSURANCE PRACTIVES
AND POLICIES, AT WHICH TIME EFFORT WAS MADE TO ELICIT
ANSWERS TO QUESTIONS CONTAINED IN REF B. EMBASSY ALSO
APPROACHED MINISTRY OF FOREIGN TRADE, BUT WAS REFERRED TO
WARTA WITH EXPLANATION THAT IT IS SOLE ORGANIZATION IN
POLAND AUTHORIZED TO UNDERWRITE INSURANCE FOR SEA NAVIG-
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ATION, FOREIGN TRADE, AND OTHER ACTIVITIES INVOLVING
FOREIGN EXCHANGE TRANSACTION. ALSO, WARTA HAS MONOPOLY

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IN FIELD OF REINSURANCE ACTIVITIES.

2. REGARDING MARITIME INSURANCE, WARTA OFFICIALS SAID THEIR ORGANIZATION WRITES INSURANCE FOR ALL POLISH IMPORTS FROM THE US, AND, FOR THAT MATTER, FROM WESTERN EUROPEAN COUNTRIES AS WELL. PURCHASES ARE MADE ON FOB OR FAS BASIS AND POLISH FOREIGN TRADE ENTERPRISES ARE "OBLIGED" TO BUY INSURANCE FROM WARTA. FOR POLISH EXPORTS, PLACEMENT OF INSURANCE IS UP TO BUYER; IN SOME CASES INSURANCE IS WRITTEN BY WARTA, WHEREAS IN TOHERS, IT IS HANDLED BY WESTERN INSURANCE COMPANIES. WHERE US IMPORTS ARE ON CIF BASIS (E.G., POLISH HAM), POLISH EXPORTER INSURES SHIPMENTS WITH WARTA AND PAY FOR INSURANCE IN POLISH ZLOTYS, WHILE CLAIMS ARE SETTLED IN DOLLARS. (COMMENT: VALIDITY OF WARTA'S REMARKS CONCERING INSURANCE ON POLISH IMPORTS IS SUPPORTED BYINFORMATION EMBASSY HAS RECEIVED FROM US EXPORTERS. WE ARE UNCERTAIN HOW MANY POLISH SHIPMENT TO THE US, IF ANY, MAY BE INSURED BY WESTERN INSURANCE COMPANIES. END COMMENT)

3. WARTA OFFICAILS SAID THEY HAD NO FIGURES READILY AVAILABE ON VALUE OR PROPORTION OF TOTAL INSURANCE OF POLISH EXPORTS WRITTEN BY US AND WESTERN EUROPEAN INSURANCE COMPANIES. THEY SAID THAT COST OF SHIPPING INSURANCE IS ONLY SMALL PORTION OF INDIVIDUAL TRANSACTIONS AND THEY BELIEVED BUYERS OFTER WERE NOT VERY INTERESTED IN WHICH INSURANCE COMPANY DID UNDERWRITING.

4. WARTA OFFICIALS WERE CONSIDERABLY MORE POSITIVE ON SUBJECT OF REINSURANCE, NOTING THAT ONE OF THEIR BASIC OBJECTIVES TO TO SPREAD RISKS AS WIDELY AS POSSIBLE AND THAT THEY WELCOMED COOPERATION WITH WESTERN REINSURERS. ALTHOUGH NO STATISTICS WERE PROVIDED, THEY CLAIMED TO HAVE WELL-DEVELOPED REINSURANCE RELATIONSHIPS WITH FIRMS IN UK, WESTERN EUROPE AND THE US. (INSURANCE COMPANY OF NORTH AMERICAN IN PHILADELPHIA CITED AS ONE OF NUMBER OF US FIRMS). WARTA BROCHURE PUBLISHED IN 1970 STATES COMPANY HAD OVER 300 REINSURANCE PARTNERS IN "CAPITALIST COUNTRIES" AT THAT TIME.
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5. ALTHOUGH THEY QUESTIONED PROSPECTS FOR EXPANDING ACTIVITY OF US INSURANCE FIRMS IN DIRECT MARITIME INSURANCE IN US-POLISH TRADE, WARTA OFFICIALS EXPRESSED CONSIDERABLE INTEREST IN EXPANDING REINSURANCE ACTIVITIES WITH US FIRMS. ONE NEW AREA MENTIONED WAS TURN-KEY CONSTRUCTION PROJECTS WHICH US FIRMS NOW UNDERTAKING IN POLAND. THEY POINTED OUT THAT ON SPECIFIC REQUEST OF ONE US CONSTRUCTION FIRM NOW ACTIVE HERE (A. EPSTEIN COMPANIES, INC., OF CHICAGO) WART HAD PLACED SUBSTANTIAL

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AMOUNT OF REINSURANCE WITH US REINSURER. WARTA SAID IT WOULD BE PLEASED TO DO THIS IN OTHER CASES AS WELL.

6. ALTHOUGH WARTA ACKNOWLEDGED RELATIONSHIP WITH INGOSSTRAKH ALONG WITH INSURANCE COMPANIES OF OTHER COMMUNIST COUNTRIES, IT WAS NOTED THAT THIS DID NOT PLAY IMPORTANT ROLE IN REINSURANCE BUSINESS INVOLVING LIABILITIES PAYABLE IN HARD CURRENCIES.
DAVIES

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Message Attributes

Automatic Decaptioning: X
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